



**ST.MARY'S UNIVERSITY,
SCHOOL OF GRADUATE STUDIES**

**THE ROLE OF LABOR UNION IN PROTECTING EMPLOYEES'
INTEREST : THE CASE OF COMMERCIAL BANK OF ETHIOPIA**

**BY
EPHREM FISSHA**

**JULY, 2019
ADDIS ABABA, ETHIOPIA**

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INTEREST:THE CASE OF COMMERCIAL BANK OF ETHIOPIA**

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**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF
GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION**

JULY, 2019

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Acknowledgements

First of all, I would like to thank the Almighty God for giving me the courage, inspiration, diligence and wisdom required for the successful accomplishment of this thesis.

I am very much grateful to Dr. Mulatu Takele, my advisor who provided his priceless comments throughout the preparation of this study. I also appreciate his presence for consultation in his office and elsewhere at convenience.

I would like also to provide my gratitude to Ato Seifu Yirdaw who gave me fruitful information for my interview. Last but not least, I would like to appreciate all the respondents for their cooperation and taking time to give genuine response for the successful result of the study.

Acronyms

BOA	Bank of Abyssinia
BSC	Balanced Scored Card
CBE	Commercial Bank of Ethiopia
ESA	Employment Standard Act
FDRE	Federal Democratic Republic of Ethiopia
HRD	Human Resource Development
HRM	Human Resource Management
TUCTA	Trade Union Congress of Tanzania
SPSS	Statistical Package for Social Science
SC	Share Company
SER	Standard Employment Relationships
OT	Over Time
PMS	performance management system

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Abstract

The primary function of a trade union is to promote and protect the interest of its members, improve working and living conditions and represent workers' interests. The objective of the research is to examine the role of labor union in protecting employees' interest in CBE by applying descriptive research design and qualitative research approaches like document analysis and interview and quantitative research approaches like questionnaires; by using simple random sampling and purposive sampling technique. For this purpose, 22 questionnaires and 6 interview questions were used. The research was based on the responses of the various levels of union members who are working in the organization. 200 self-administered questionnaires were distributed to labor union member respondents. Interview was held with union leaders. To analyze the data from the questionnaire the researcher applied descriptive statistics such as tables, frequency distribution, percentages, mean and standard deviation techniques and with regard to interview questions content and thematic analysis were used. The finding showed the role of labor union in CBE does not seem in a position to protect its members. They did not seem to have bargaining power when they deal with top management for the issues of employees' interests such as salary increments and benefits. Based on findings, the researcher recommended the Labor Union to assure full protection for members by discussing with employer and create awareness for using Labor Union media and to assure trust by abuse of management for its members. Though, the role of labor union in the Commercial Bank of Ethiopia is needed to restructure for improvements in union involvement and collective bargaining process.

Key word: Labor Union

CHAPTER ONE

INTRODUCTION

This part deals with background of the study; statement of the problem; objectives of the study; significance of the study; scope of the study /delimitation and organization of the study.

1.1. Background of the Study

A group of bank workers met in the Glenworth Hotel in Limerick to begin the process that was to lead to the establishment of the Irish Bank Officials' Association (March 17, 1918,P.5).This brave and forward-thinking group was responsible for the establishment of a very effective trade union, which represented bank staff professionally for over ninety years and has campaigned to improve the working conditions and living standards of workers in the financial services sector. Since the expansion of two major Irish banks into Great Britain in the 1960s and became a trade union operating in three jurisdictions-the Republic of Ireland, Northern Ireland and Great Britain (<http://www.fsunion.Org>, 13th Sep.2017). Labor unions are struggling to secure benefits for their members, such as financial gains like raise of wages, bonuses, various allowances insurance benefits, overtime payment and non-financial benefits such as job security, comfortable work place recreational facilities and decreasing fear of employer through collective bargaining (Khan, 2011,P.33).

According to Edwin (1979, P. 2453) labor unions are an organization of workers to promote, protect and improve, through collective action, the social, economic and political interests of its members.According to Ootobo (1986, P. 222) labor union also has been seen over the years as one of the most common and popular features of every organization's work force which seeks to protect the rights, interest of employees from arbitrary economic exploitation and the abuse of dignity of labor by the management.Therefore,it is a fundamental tool and instrument used by the workers in organizations to seek understanding as well as to influence management decisions that could be determined or contrary to the terms and contract of agreement.

In Ethiopian case, individual workers were economically weak when bargaining with employers and many of interests of capital and labor were divergent. Workers started being organized in economic situation dominated by foreign employers who attempted to operate in modes of colonial era even though Ethiopia has never been colonized. They were subjected to oppressions and exploitation which motivated them to stage struggle against employer's decision making. The

oldest union in Ethiopia is Ethio-Djibouti rail way workers union, which was formerly known as Franco –Ethiopian railways workers unions. This union established in 1953 G.C.The promulgation of 1963 labor relation decree created an important landmark in the history of Ethiopian trade unionism in Ethiopia as it gave legal recognition on to union in the country.In 1995, the constitution of FDRE in Labor Proclamation (No.377/2003,P.52) provides that ever has the right to form unions and other association to bargain collectively with employers regarding with their interests. The law provides for the right to strike. The labor union role is to observe the conditions of work and fulfill the obligations set forth in the labor proclamation art.115/a-d i.e., respect the rights and interest of members in collective negotiations and labor. In addition, it has the right to bargain a collective agreement with one or more employers or their organizations in matters provided for in article 128 i.e., matters concerning employment relationship and conditions of work as well as relations of employers and their workers (L P No.377/2003,P.52).

In case of Commercial Bank Of Ethiopia, the labor union was established in 1968 G.C.Currently it has seven permanent employees that role of labor union would stand to represent and protect the interest of the employees, to secure the rights and benefits of employees, to protect the employees from unfair decision taken by the management (employer) by bargaining as per the collective agreements, improving work place harmony with good relationship between two parties of organization.(Broacher of Labor union office in CBE, 2017,P.10).The above Labor Union History leads a researcher to investigate the Role of Labor Union how to be successful and to examine bargaining power of labor union with employer for their members' interest. Therefore, the study assessed the Role of Labor Union in Protecting Employees' Interest in case of commercial bank of Ethiopia.

The performance of CBE was reported on amount of 10.32 billion Br profit before tax for the 2017/18 fiscal year. This is more than it had planned. Its loans and bond purchase has reached 100.68 billion Br and CBE's total assets reached 565.50 billion Br. (<http://www.cbe.com>, 15th Oct.2017).This refered to CBE had rapidly increased its profit year to year. For this profit of organization the employees had a big contribution and they played a significant role based on their agreements. But as researcher's observation the managements had not give attention to interest of employees. Therefore, the researcher assessed how to stand labor union for their members as per

collective agreements in protecting of employees' interest in the case of commercial bank of Ethiopia.

On the other hand, a research which was conducted by Lazaro (2015,P.45) to investigate teachers' payment in Tanzania and realized that teachers were earning less than what was required for their human survival. Teachers in Tanzania earn about \$120 a month. He also stated that teachers were facing many and complex problems in Tanzania. These problems range from low salaries to low status and Lazaro argued that (as cited in John, 2010,P.56) indicated that Government schools do not offer quality education because teachers were demoralized to work effectively due to low salaries they got poor working conditions and poor treatment they were getting from the government. Therefore there was a long standing complaint from different government and nongovernmental employees that the existing Tanzanian trade unions do not fully support employees in collective bargaining and dispute settlement towards solving the labor related problems in their working place. This weakness of Labor Union motivates the study with an intention to examine the role of Labor Union in protecting the employees' Interest by assessing the activities of CBE Labor Union and how to they represent their members.

1.2. Statement of the problem

The labor union is a major component in system of employment relation in any country, each having their own set objectives or goals to achieve according to their constitution and each having their own strategy to reach those goals and the goal of labor union is to influence managerial attitudes and behavior towards the role of labor union (Ghosh & Geetika, 2007,P.123).

Lillian (2006,P.49) conducted a study on the Bank Workers' Perception and Participation in Trade Union Activities in Kenya. According to the finding of this research, the quality of trade union representation has deteriorated significantly over the years. This may be a result of challenges facing Unions. Potential members were discouraged from joining the Union and there was a perception that trade unions no longer deliver benefits to members and have lost their relevance. Therefore, these research findings indicate that the Labor Unions' activity has no influence on bargaining power against employers to fulfill the interest of employees. In the same way, the Labor Union of CBE has lack of real representation for their members.

As the researcher's observation, role of labor union in CBE does not seen in a position to protect its members. They did not seen to bargaining power when they deal with top management for the issues of

employees' interests such as salary increments and benefits (i.e. the improvement of personal loan and mortgage loan, safety and health care, annual bonus, house allowance and others benefits) similarly they did not see good communication with their members to address information periodically. According to the bank's collective agreement an employee who works extra time on weekends from 6:00 a.m. up to 10:00 p.m, they need overtime payment in order to compensate extra time service. But the Labor union and the management did not reach to collective agreement because of management influence (<http://www.nazret.com>, 21st Nov. 2017).

In relation to the observation, The labor union has been requesting for salary adjustment and annual salary increment. In addition it has demanded for a four-scale annual increment. It also asked the management for compensation to employees for the extra half an hour service they render (<http://www.allafrica.com>, 16th Dec. 2017). This report provides an information for the researcher even though the employees of CBE are members of labor union; they have not adequate benefits than Private Bank workers who are non- Labor Unions. While CBE is the first Bank of Ethiopia and the Bank has the highest profit, it paid a middle salary for its employees.

A research which was conducted by Lazaro (2015, P.45) to investigate teachers' payment in Tanzania and realized that teachers were earning less than what was required for their human survival. Teachers in Tanzania earn about \$120 a month. He also stated that teachers were facing many and complex problems in Tanzania. These problems range from low salaries to low status and Lazaro argued that (as cited in John, 2010, P.56) indicated that Government schools do not offer quality education because teachers were demoralized to work effectively due to low salaries they got; poor working conditions and poor treatment they were getting from the government. Therefore there was a long standing complaint from different government and nongovernmental employees that the existing Tanzanian trade unions do not fully support employees in collective bargaining and dispute settlement towards solving the labor related problems in their working place. This weakness of Labor Union motivates the study with an intention to examine the role of Labor Union in protecting the employees' Interest by assessing the activities of CBE Labor Union and how they represent their members.

In line with this study attempted to answer the following basic research questions.

1. To extent does the labor union exercised the agreed roles in Commercial Bank of Ethiopia?
2. To what extent does the Labor Union protected the interests of Employees as per the collective agreement?
3. What are ways of communication between employees and their Representative?

1.3. Objectives of the study

1.3.1. General objective

The main objective of the study was to assessing the role of Labor Union in Protecting Employees' Interest in case of Commercial Bank of Ethiopia.

1.3.2. Specific objectives

1. To determine the extent to which labor union exercised the agreed roles in Commercial Bank of Ethiopia.
2. To find out the extent to which Labor Union protected the Interests of Employees as per the collective agreement.
3. To measure ways of communication between employees and their Representatives.

1.4. Significance of the study

Trade unions are considered to be the most effective channel through which the management may able to manage this essential resources and what to do to fulfill its interests. Therefore, this study contributed the following activities. For the labor union, it is informative and helpful in improving their activities as they are going to be recommended some solutions. For employees, who are the members of labor union it provides information to help members advocate for themselves in the labor market and provide training in individual negotiating strategies, and detailed salary information based on surveys of the profession, and ultimately try to empower works through strengthening their capacities. For the organization, under scrutiny as it provides information about the gaps and problems so that the management would be aware of it and take proper course of action, and for further researchers, as it serve as a background and springboard for other similar researches to approaches this and other problems from different perspectives.

1.5. Scope of the Study/Delimitation

The study has been conducted in CBE which a government bank and limited in assessing the role of labor union such us to protect the rights, interest of employees from arbitrary economic exploitation and the abuse of dignity of labor by the management in this organization at four Addis Ababa grade four branches only.The study did not covere other Addis Ababa branches and regional branches because the entire study was based on the role of labor union and used some Addis Ababa grade four branches as study and the results could have been more interesting if more sectors and trade union in Ethiopia covered as well as the time and financial factor made it impossible for one to interact with many trade union leaders.

1.6. Organizations of the Study

The study would be comprised of five chapters. The first chapter presents introduction of the study whereby background of the study, problem statement, objectives of the study, research questions, significance of the study,were include. The second chapter is devoted to reviewing related literatures followed by the third chapter that discussed the methodology used to undertake the study. In chapter four and five, the data analysis & discussion of results and conclusions & recommendations were presented sequentially. Finally, references and copy of the questionnaires were annexed.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter deals with theoretical review, empirical studies and conceptual framework.

2.1. Theoretical Review

There are various theories to explain the reason or objectives for the formation and existence of trade unions. These theories provide objectives and goals of trade unions which provide for the researcher with benchmarks for evaluating them and how to go through in assessing their contributions towards protecting employees' interest.

2.1.1. Definitions of trade union

According to Khan (2011,P.220) labor Union is an organized group of workers who have joined together to improve their interests. The same authors also stated that these associations negotiate and bargain with the employer over pay and conditions of work on behalf of their members. Moreover, the Labor Union is struggling to secure benefits for its members, such as financial gains like raise of wages, bonuses, various allowances, insurance benefits, overtime payment and non-financial benefits such as job security, comfortable work place, and recreational facilities and decreasing fear of employer with collective bargaining.

According to Lubembe (1993,P.240) the Trade Union Congress of Great Britain's defined the trade union as an association of representatives of employees. They further stated that it is an organized association of employees engaged in particular type of work formed to protect and promote their common interests. The same author further stated that a "Labor Union is a continuous body formed by workers, wage earners for the expressed purpose of improving their conditions of working lives and all matters affecting their social welfare whether such workers are actually working or ceased to work in whatever form".

According to Smith (2016,P.48) closer look at the history of bank employees and unionization belies the view of banking as a vaunted-courier in which to work. In response to low wages and poor working conditions, over the course of the twentieth century bank workers in many countries joined labor unions or established their own, using the strength of collective action to improve

their living and working conditions and contrary to this, in Canada repeated efforts to establish bank employee unions have met with limited success.

The Ethiopian Labor Act, Labor Union refers to an organization or workers that have been formed specifically for purpose of maintenance and improvement of condition of their members' working life. Also Trade Union as "any number of employees associated together for purpose whether itself or employers' associations to which the employers belongs" (LR Act, Act. NO. 9. 2004, p. 57).

A trade union (or labor union) is an organization of workers or employees who have combined together to achieve common goals in areas such as in working conditions and protecting and promoting their mutual interests through collective action. A trade union, through its leadership, bargains with the employer or the management on behalf of the union members and negotiates labor contracts etc (Rao ,2010,P.50).

2.1.2. Features of trade union

According to Rao (2010,P.50) there are number of trade union features.From this the following are some features.

- A. Association of employees or employers of independent workers and trade union is a permanent formation of workers therefore it is not casual.
- B. Trade union mostly emphasizes joint, coordinated actions and collective bargaining and it is formed to protect and promote all kinds of interests –economic, political and social-of its members.
- C. It achieves its objectives through collective action and group effort. Negotiations and collective bargaining are the tools for accomplishing objectives.

2.1.3. Objectives of labor union

According to Perlman (1928,P.123) the primary function of a trade union is to promote and protect the interest of its members). This can be summarized as follows:

- A. To improve working and living conditions and to represent workers' interests in various conditions and to offer responsive cooperation in improving levels of production and productivity, discipline, and high standards of quality.

- B. To secure fair wages for workers have analyzed the impact of trade unions on wages by estimating the union-non-union wage differential using a single wage equation, treating unionism as a dummy. They estimate that workers within the union sector earn 19% more than the workers in the non-union sector.
- C. To enlarge opportunities for promotion and training, to promote identity of workers' interests with their industries and to cooperate in and facilitate technological advancement by broadening workers' understanding of underlying issues.

2.1.4. The new functions of trade union

According to Monappa (2000,P.34) the new function also called ancillary functions can be categorized into the following groups:

A. Communication and Welfare activities

Many large unions publish a newsletter or a magazine, with the main aim of clarifying their policy or stance on certain principal issues, as well as to pass on information about their activities and unions are engaged in a number of welfare activities, such as providing housing and organizing cooperative societies to improve the quality of workers' lives.

B. Education and Research

Education helps to make workers aware of their surrounding environments. Unions make efforts to launch educational programs for workers to enhance their knowledge of the work environment and to inform them about issues concerning them, particularly those regarding their rights and responsibilities and regarding procedures and systems that exist in the workplace for redressing grievances and Union negotiators need updated information to be systematically collected and analyzed at the bargaining table. They also need to backup their wage demands with knowledge of the industry, of productivity, and of comparative industry practices. Many unions conduct their own research to this effect, laying emphasis on practical problems, day-to-day affairs at work.

2.1.5. Reasons for Joining Unions

According to ESA, the reasons for organizing a union may be immediate and specific. The general purpose for joining unions is as follows:

A. Greater Bargaining Power

As an individual employee a person has very little bargaining power. He or she cannot bargain with the employer alone. The better option for him or her is to join union and be in a safer position. The union is a powerful tool which compels employer to accept the demand posed by the workers for good working environment and better employment conditions.

B. Minimize Discrimination and Sense of Security

There are many instances where an employer may discriminate their employees on the basis of caste, religion and sex. A trade union can force the management not to discriminate but to treat every worker equally. The labor decisions of the management are monitored very closely which has the positive effect in minimizing discrimination and workers join unions mainly because of security purpose. The employee's belief that unions can secure protection from unemployment, accidents and ill health. Unions help them in getting the retirement benefits of workers and force management to invest in the welfare of the employees.

2.1.6. Types of Union

Many authors have tried to isolate three or four different types of unions. These are, first, the craft union, historically the oldest, being tracked back to the model unionism of the nineteenth century. Second, the industrial union, of which two variants might be described: one is the 'monopoly industrial union' which organizes all workers in one industry, while the other is the single industry union' which does not organize all of the workers in an industry, but restricts its recruitment to that industry. Third, the general union: ideally open to all workers irrespective of industry, grade or geographical region. Fourth, the occupational union which is distinguished from the craft union on the ground that entry to the occupation is more clearly based on academic qualifications (Jackson, 1983,P.22).

A. The craft union and Industrial unions

The earliest form of trade union was of a craft type, in which the possession of certain trade skills was the basis for organization and in which these skills could be identified with jobs capable of being demarcated from others. For example, all carpenters belong to the carpenters union; the plasterers belong to the plasterers union and these unions include ranks all workers, skilled and unskilled, who are employed within a given industry (railroads, steel etc.).

B. The professional and white-collar unions

They are concerned with non-manual workers, and may be occupationally or industrially oriented. It may possess some certain qualification as craft unions. It mainly exists in the white collar area. For instance police, bank employees, teachers and so on. It is worth adding that some professional organizations, such as the British Medical Association, though not regard themselves as trade unions, but performs trade union functions on behalf of their membership and also other activities such as promotion of research, and the publication of professional journals. The union for professional and managerial staff is a trade union for white collar professionals with university, professional or with high level education

C. General Union

A trade union which has no form of restriction on categories of workers who may join. General unions are open unions and are generally large in size.

2.1.7. Collective Agreements

According to Aimala, Astrom, Rautiainen & Nyysola (2005,P.58), collective agreement is defined as an agreement which is concluded by competent parties on the terms and conditions of employment. It is a contract done between the labor and management governing wages and benefits and working conditions. It is usually the result of a process of collective bargaining between an employer and a trade union representing workers. On behalf of the employer the agreement can be concluded by either the individual companies or their association. On the other hand, on the employee's behalf, the agreement can be concluded by their association.

2.1.8. Where do collective agreements come from?

According to SAK, STTK and AKAVA (2012,P.125), Organizations of interest groups and collective bargaining between them are a fundamental feature of Finnish society. Both the employers and the employees are highly organized. Every trade union has a negotiating partner representing employers in its industry. For example a proposal on changing the law on working hours will automatically be considered by a working group which includes trade union and the employer representatives. This binding character depends on many factors like the organizing rate of employers and employees in the line of work concerned.

2.1.9. Negotiating Parties

The trade unions on behalf of their members negotiate the collective agreements. Some matters can also be agreed upon locally, but only in the case when there is a better understanding between the employer and the employee representative. A valid collective agreement can according to the Collective Agreement act be negotiated by one or several employers or associations of employers and or more registered associations of employees. Association of employer's main objective is to protect the employer's interests in the employment relationship. Whereas employees association is to safeguard the interest of the employees in the employment relationship (Ministerio de Trabajo y Asuntos Sociales. Spain, 2005,P.276).

2.1.10. Negotiation procedure

Collective agreement has some provisions regarding the settlement of disputes relating to agreement. The disputes from the application at workplace shall be handled between the employer and employee. In case the dispute is not settled between the above mentioned parties, the employee can ask the shop steward to negotiate with the employer. As a last step, the shop steward can refer the case to chief shop steward to negotiate. If there is no settlement in local negotiations, the party can refer the case to employers and employees associations. According to the case law, trade union representatives who are participating have to present a proxy from the employee he represents. Labor court only handles labor conflicts (Aimala et al. 2005,P. 21-22).

2.1.11. Parties bound by the collective agreement

The collective agreement is binding to those parties who have signed the agreement. Therefore, the agreement is binding on the employers and the associations and they are often called the signatory parties. It is also binding on the associations who are the members of the signatory parties. Generally, white collar workers have more profession specific agreements (Aimala et al. 2005, 17-18).

2.1.12. Challenges facing labor union in protecting employees interest

There are many challenges facing trade unions in their day to day operations. Workers' organizations are experiencing serious difficulties almost everywhere and are losing members. Few countries have unionization rates above 50 percent, while others have less than 20 percent of non-agricultural workers in unions (Mutunga, 2006,P.60).

A. Management challenges

There are many challenges that face trade unions in their day to day operations. Having participated in the struggle for independence, trade unions are considered organizations that have the capacity to organize people, a capacity many governments would wish to control and keep checked. The government and employers look down upon trade unions and preconceive them as chaotic and irresponsible organizations whose major aim is to disrupt peace, order and good governance. This perception attracts government and employers interest in affairs and activities of trade unions (Kochan, 2003,P.34).

B. Operational challenges

Globalization of the world economy has brought about heavy pressure on the local industries to become globally competitive. Heightened global competition has disposed enterprises to adopt greater flexibility - functional or numerical - in terms of labor utilization. Amongst the common functional flexibility employed by enterprises are the "broadening of job designs, mobility across tasks, enlarging the scope of individual skills, and extensive training and retraining programs" (Binghay, 2000,P.98).

C. Financial challenges

The trade unions are increasingly faced with financial constraints emanating from the following factors, among others: loss of members as a result of organizational restructuring, leading to loss of revenue since trade unions depend on members' contributions in order to undertake their operations; splitting of the of the trade unions, thus reducing the financial base from membership contributions; and mismanagement of funds by the union leaders (Central Organization of Trade Unions, 2009,P.109).

2.2. Empirical Studies

According to Alan L.'s (2006,P.35) observation, Trade Union employees' representation in collective bargaining has been decreased over the last twenty five years in the United Kingdom. This decline in collective bargaining coverage has been coupled with a large dilution in union membership density. The upshot of this pattern of decline is that by 2001, 48 % of all employees had never been a member of a Trade Union. According to TUCTA report (2007,P.35) there is absolutely no doubt that both government employees and non-government employees despite of being members trade union still remain with working grievances like low wage, poor working conditions, poor health and safety, fear of termination to their employers when demanding their employees' interest, unlawful termination, fear to participate on lawful activities of trade unions".

African research review and an International multidisciplinary Journal(2013,P.22) show that there is a gap in terms of protecting employees' interest such as, securing employees salary and benefits, creating harmonious relationship between management and employees, conflict resolution, disciplinary action and employees participation and collective bargaining of employees and thereby for protection of employees' interest. Regarding the importance of strong unions, Bryson (2001,P.36) found that strong and effective unions that were supported by management had higher or similar levels of trust in management to non-union organizations. It means that, it is not enough to have a labor union to protect employees' interest; rather it requires a great deal of support from management.

Trade unions therefore play an extremely important role in helping to solve problems of unequal market power, discrimination and insufficient information. Unions provide their members with important services, negotiating on their behalf for better working conditions, protecting them from unfair treatment, and dividing the cost of obtaining action helped to improve the distribution of income. Moreover, there are situations where the union wage premium is very small or non-existent. Ismael argued that the study which was conducted in South Korea for the wages of unionized production workers were only 2 to 4% higher than those of non-union workers (as cited in Guerin, 1991,P.55). As a result of this study, the researcher motivated for further study of the labor unions role for protections of their members.

Centre for employment and labor relation report, (2014,P.54) conducted a study on the role of Trade Union and the enforcement of minimum standards. The study was conducted in Australia .The report presents the preliminary findings that has sought to empirically examine the extent to which and how trade unions in Australia monitor and enforce minimum employment standards concerning wages, hours of work and leave. The study has consisted of quantitative case studies of five Australian trade unions, involving in-depth, semi-structured interviews with elected officials industrial/ legal officers and organizers in each union as well as analysis of relevant material provided by the unions. The report provides that trade union has the task of securing compliance by employers of minimum wages and conditions of employment continue to constitute a dominant function of trade unions. Therefore the study has gone through in Australian trade union context on 2014 according to time and place the researcher will continue the study.

According to Mohamed et al. (2012,P.12) conducted a study on ‘the role of labor union for the human resource development (HRD). This study find out that unions have been taking active part in education and training activities by stressing employers for making arrangements for workers training, skill building, education organizing and making themselves arrangement for training and education. Therefore the study concluded that unions besides seeking benefits for their members under collective bargaining also take part in the activities of human resource development by exerting efforts for training and education of workers. Therefore the study stresses on insuring employee performance on working places leaving aside other employees benefits. So we can push forward for the study.

Muhammad (2010,P.65) also conducted a study role of labor union beyond collective bargaining. The objectives is to assess the role of labor union beyond collective bargaining and the study provided that unions have also been playing role beyond collective bargaining for society in protection of environment and climatic change, energy planning and management, sustainable development and public health, alleviation of poverty, and providing training and education services to worker. In this literal study those aspects of labor unions have been exposed which are beyond collective bargaining that is to secure benefits for their members, such as financial gains like rise of wages, bonuses, various allowances insurance benefits, overtime payment and non-financial benefits such as job security, comfortable work place recreational facilities and

decreasing fear of employer. Therefore, according to contextual, time, and results of the study and this will continued by the researcher for further study.

Clara and Mary (1999,P.43) , conducted a study on Trade Union services and benefits. Objective of the study was to evaluate the ability/capacity of trade unions to provide services and benefits to their members as a means to sustain the interest of existing members and to attract new members to the labor movement in Ghana. The main methodology employed in this study was descriptive analysis. Data was gathered from both primary and secondary sources. In the case of primary data, information was gathered through questionnaires and a structured interview guide. The findings from the study showed that trade unions in Ghana continue to deliver on their traditional services of collective bargaining, representation and education for the members. Some unions that have been proactive and innovative have used collective bargaining as a tool for both wage and non-wage negotiations. The study did not provide a real picture to what how trade unions assists employees' in insuring good working conditions and also due to time and location there for we will continue with the study.

Jane and Mohammed (2000,P.54), conducted a study on trade union services and benefits. The main objective of the study was to evaluate the ability and capacity of unions to provide services and benefits to their members as a means to sustain the interest of existing members and to attract new members to the labor movement in Kenya. The study used a case study approach focusing on employees where trade Kenya. The study used a case study approach focusing on employees where trade unions were purposefully selected as multiple case study sites. The major instruments used for data collection were the questionnaire and document analysis. The study also contends that the most prominent role played by trade unions was to provide to employees education, training, and collective bargaining. The services are provided to all paid up members and staff of the unions. Most of the benefits offered are generally contained in the Collective Bargaining Agreements. The study also did not provide a real picture to what how trade unions assists employees on insuring good working conditions and also due to time and location therefore the researcher will continue with the study.

The study which was done by Ismael (2013,P.45) stated that there were more than 10 Trade Unions in Tanzania. Some of them were in the public sectors and others in the private sectors. Recently about 27% of the formal workers were members of Trade Unions. Despite of being

members in trade unions still workers are complaining about their poor working conditions and their lack of interest. This finding shows that similar problem may happen in Labor Union of CBE. This also leads the researcher to further study on the Role of Labor Union in Protecting Employees' Interest. Similarly Yetmwork (2016,P.34) conducted a study on the Role of Labor Union in Maintaining Good Employment Conditions in Ethio Telecom Corporation. The finding of this research showed that in terms of bargaining power of the representatives, they were not strong enough when they are dealing with the management about the issues like annual bonuses, annual salary increment, members firing, allowance and other benefits. This shows the weakness of the Labor Union to represent its members and the same practices happened from CBE employees' representative to achieve their interest.

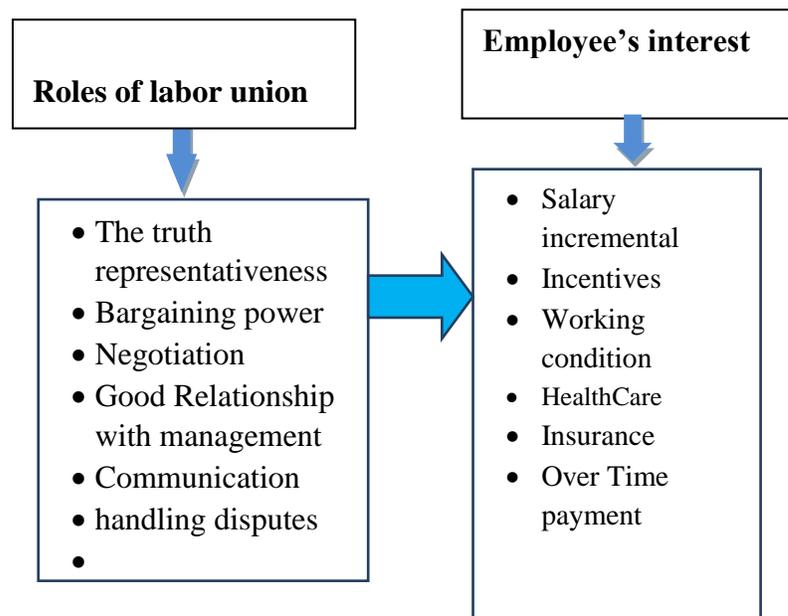
Lillian (2006,P.203) conducted a study on the Bank Workers' Perception and Participation in Trade Union Activities in Kenya. According to the finding of this research, the quality of trade union representation has deteriorated significantly over the years. This may be a result of challenges facing Unions. Potential members were discouraged from joining the Union and there was a perception that trade unions no longer deliver benefits to members and have lost their relevance. Therefore, the above research findings indicate that the Labor Unions' activity has no influence on bargaining power against employers to fulfill the interest of employees. In the same way, the Labor Union of CBE may have lack of real representation for their members.

On the other hand, a research which was conducted by Lazaro (2015,P.45) to investigate teachers' payment in Tanzania and realized that teachers were earning less than what was required for their human survival. Teachers in Tanzania earn about \$120 a month. He also stated that teachers were facing many and complex problems in Tanzania. These problems range from low salaries to low status and Lazaro argued that (as cited in John, 2010,P.56) indicated that Government schools do not offer quality education because teachers were demoralized to work effectively due to low salaries they got; poor working conditions and poor treatment they were getting from the government. Therefore there was a long standing complaint from different government and nongovernmental employees that the existing Tanzanian trade unions do not fully support employees in collective bargaining and dispute settlement towards solving the labor related problems in their working place. This weakness of Labor Union motivates the study with an intention to examine the

role of Labor Union in protecting the employees' Interest by assessing the activities of CBE Labor Union and how to they represent their members.

2.3. The Conceptual Framework

Jose (2002,P.65) contends that trade unions in developing countries have not achieved a secured income for the majority for the workers. Thus, there is need for them to develop a wide support base which addresses the needs of many constituencies, including schemes which involve job creation and active involvement in human resource development. It is this fundamental difference in the development levels of developing and developed countries that calls for the approaches argued for by Jose in developing countries. He argues that the best response is for trade unions in developing countries to be involved in the establishments of suitable and affordable facilities for skills development so that workers at the lower end of the market can be helped to overcome the barriers of gender, ethnicity and race that hamper their mobility in terms of income and professional advancement.



Source, own survey

Figure 2.1 Roles of Labor Union in Protecting Employees' interest

The framework showed the flow of the Role of Labor Union in Protecting Employees Interest. The elements in the roles of labor union consist of union representation in collective bargaining, in handling disputes and grievance, enhancing participation of employees in the decision-making process, securing employees wages and benefits (pay and benefits), maintain good working condition & harmony at workplaces ,safety and health of employees, protecting employees from unfair administration measures by the employer ,securing the common interests between the employers and employees, take collective action to enforce the terms of collective bargaining and build up confidence of employees in management. Generally, this leads to the proposition that if labor unions are weak and have a poor relationship with management, they are likely to have a negative impact on employees' benefit. Similarly, when unions are strong and if they have high collective bargaining power; as well as their relationship with management is good they can have a positive impact on employees' interest.

CHAPTER THREE

METHODOLOGY

This unit deals with approaches and research design, target population and sampling techniques and sample size, Types, sources and methods of data collection, Methods of data analysis, Reliability and validity and Ethical issues.

3.1. Approaches and research design

According to Bower man and O'Connell (2003,P.54), the research design was determined by the research topic. In this regard this research conducted using descriptive research design to assess and described the role of labor union in protecting employees' interests and to draw some conclusion and recommendation for the gaps indentified. The main purpose of descriptive study was giving accurate explanation of a situation or an association between variables.

Accordind to Armstrong M, (2010,P.56) in planning and conducting a research program, the extent to which quantitative or qualitative approaches used in this study. Quantitative research method was based on collection of factual data which is measured and quantified, it answerd research question from the viewpoint of the researcher and it involveed a considerable amount of statistical analysis by using survey questionnaires and observation. On the other hand qualitative research method aimed to generate insights in to situation and behavior so that the meanings of what is happening can be understood and emphasized the interpretation of behavior from participant's point of view.

3.2. Target population

The target population were employees of CBE who are also member of the labor union.CBE has 1280 branches and more than 33000 employees, among this 20300 are members of the union.The target population included the grade four Addis Ababa branches like North Addis Ababa, South Addis Ababa, East Addis Ababa and West Addis Ababa branches. These branches selected due to their accessibility and specifically all employees were members of labor union.3095 members are found in the grade four branches. Therefore, four branches selected as target population because 3095 members are found in these branches than other branches.

3.2.1. Sampling techniques

Simple random sampling and purposive sampling techniques were used in this study. Simple random sampling applied to take sample from union members i.e. appropriate equal chance for the respondents to be included in the sample. Union officials were selected purposely in order to convey relevant information from appropriate leader from union officials. Hence, 200 union members from the grade four branches selected randomly, and the union leader officials selected purposely as a sample. Union leaders considered as important information sources since they have deep information on the subject matter and they involved in the day to day activities.

3.2.2. Sample size

The respondents addressed as per their arrival or availability at the organization. Thus, to determine the sample size the researcher preferred to use a method developed by Carvalho, 1984, P.140) as cited in Naresh, 2007, P.87). Among these 3095 members, 200 were the sample by taking the highest and interview respondents selected from labour union representatives.

Table 3.1 sample size determination

Population size	Sample size		
	Low	Medium	High
51-90	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	20	50	80
501-1200	32	80	125
1201-3200	50	125	200
3201-10000	80	200	315
10001-35000	125	315	500
35001-150000	200	500	800

Source, Naresh (2007)

3.3. Types, sources and methods of data collection

3.3.1. Data sources and types

In this research, both primary and secondary source of data collection were applied. Primary Sources, in order to realize the target the researcher used 22 questionnaires and 6 interview questions. This completed by employees of the organization. Secondary Sources, Secondary data

from collective agreement and policy papers used to provide additional information. Besides, CBE documents, websites, used to make the study fruitful.

3.3.2. Methods and Tools of data collection

Primary data was collected using 22 close ended questionnaires and 6 structured interview questions. Section I of the questionnaire covered the demographic characteristics of the trade unions while section II covered information on the role of trade union. The respondents were employees of Commercial Bank of Ethiopia. The questionnaires were administered using the drop and pick method. The secondary data was collected using document analysis in relation to collective agreements and policy papers. The questionnaire statements developed and evaluated on a 1-5 Point Likert scale, where '1' indicates strongly disagree with the statement, '2' disagree, '3' neutral, '4' agree and '5' refers to strongly agree with the statement. The secondary data gathered from relevant documents like collective agreement and policy papers related with the topic in order to analyse qualitative data.

3.3.3. Procedures of data collection

After selecting and finalizing the tools for data collection, the researcher visited the CBE under observation personally for taking prior permission from districts of the bank for collecting the necessary data. Subsequently, the observer discussed in detail about his observation with heads of the respective districts and sought the permission from them for collecting the necessary data and the subjects (employees and leaders) were explained about the nature and purpose of the study.

In the first phase, good rapport with the employees of concerned bank was established to do the assignment carefully. Before assigning the task, instructions of each test used in the study were made clear. The principals were also explained the same and were administered the tool administrative behaviour scale. The procedure of filling the scale was made clear to all of them. The researcher collected all the inventories and thanked all of them including the principal for their cooperation. The same procedure was followed in all the branches. The inventories thus collected were scored as for the prescribed procedure and the data obtained were recorded for analysis and interpretation.

In the second phase, before administration of the test, necessary steps were followed and appropriate precautions were taken for each branches. After being satisfied with the arrangement,

the researcher instructed the employees of concerned branches and fabricated the confidence to give his free and frank opinion about the role of labor union in protecting employees interests. They were also informed that their employment career not be affected as it was only an exercise for research purpose and their responses kept strictly confidential. Hence they be free and frank, honest and sincere in attempting the question.

3.3.4. Reliability and validity

Validity is the degree to which a test measures what it purports to measure (Creswell, 2009:190-92).The questions included in the questionnaire are all valid to test the knowledge of members towards the role of labor union in maintaining employment conditions. This can be ensured that the questions are highly linked to address the roles of the labor union.

Reliability is the property of consistency of a measurement that gives the same result on different occasions (Mc Burney p.129) .The researcher was taken the pilot-test before distributing the final questioner to assure the reliability the result was 0.92.The results from analysis indicated that the Cronbach’s Alpha value is 0.87. This suggested that the internal reliability in this study was acceptable and signified to be good.

Reliability statistics

Cronbach's Alpha	N of Items
.87	22

3.4. Methods of data analysis

Data analysis was the process of systematically applying statistical and logical techniques to describe and evaluate quantitative and qualitative data. The qualitative and quantitative data analysis separated because of their characteristics. While qualitative data analyzed through content analysis and thematically; quantitative data analyzed by using the descriptive statistics such us tables, frequency distribution, percentages,mean and standard deviation through statistical package for social science (SPSS V.21).

3.5. Ethical consideration

For respondents detail explanation provided about the overall objectives of the study. Participation in this research work in the free-will. Respondents informed that, they could decline if they did not want be participants without any consequences. In addition, the survey questionnaires provided to respondents on confidentiality and anonymity. Before each interview aspects of confidence as well as the purpose of the study communicated to respondents.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter deals with presentation, analysis and interpretation of the data which has been obtained through questionnaires and interview.

4.1. Response rate of respondents

Under this sub topic demographic information of respondents such as gender, age, educational status, year of service and membership period in the union are analyzed and discussed.

Table 4.1 Demographic characteristics of respondents

Characteristics	Frequency	Percentage
A. Gender		
Male	140	70
Female	60	30
Total	200	100
B. Age		
<25	16	8
25-34	165	82.5
35-44	13	6.5
45-54	5	3
Total	200	100
C. Educational status		
First degree	174	87
Second degree	26	13
Total	200	100
D. Service years in CBE		
<4	47	23.5
5-9	138	69
10-19	12	7.5
Total	200	100
E. Membership period in the union		
<2	38	19
3-5	144	72
6-9	9	4.5
9-11	9	4.5
Total	200	100

Source own survey data, 2109

As mentioned in Table 4.1, item 1, the gender distribution of respondents is 70 % (140) of the respondents are male while the rest 30 % (40) are female this implies unfair treatment of women because number of men greeter than from number of women by 40% as well as it differ from gender equity (<https://www.quara.com>,10th may.2018).

As the age distribution (see table 4.1,item 2) 8 % of the respondents are below 25 years and 82.5% of the respondents are found between the ages 25 to 34 years. While the rest 6.5 % of the respondents are found between the age of 35-44 years and 3 % of the respondents are found between 45-54 years old. An implication of age it crates age diversity in the work place that provides a larger spectrum of knowledge, values and preferences and CBE has young staff(<https://www.positive.news.com>,10th.2018).

Educational background also shown (see table 4.1, item 3) 87 % of the respondents have first degree and 13 % of the respondents have master's degree. As a result, the people who have higher educational background need better payment and good working condition as well as higher education can allows the employees to improve their chances of progressing with in the business and make a higher value contribution to the business success. Additionally, improve their earnings potential within the company and industry (<https://www.hastac.org>,11th may.2018).

Distribution of respondents with regard to years of service in the bank shown us that majority of the respondents (see table 4.1,item 4) 69 % served the bank between 5-9 years and the remaining 23.5 % are < 4 years and 7.5 % found between 10-19 years as well as in addition to receiving financial support during a service year, many position also offer opportunity to receive loan forbearance and an education award for students to use on future education or to pay off students loans. Some even offer child care benefits (<https://www.serviceyear.org>,11th may.2018).

As we can see Table 4.1, item 5, the question that have been a membership of the Labor Union in years, 19 % of the respondents are in between < 2 years and 72 % of the respondents are in between 3-5 years. While the rest 4.5 % of the respondents in between 6-9 years and 4.5 % of the respondents in between 9-11 years are in the Labor union based on the data and most of them are new to the labor union that implies workers are in labor unions that benefited from collective bargaining power to negotiate with employers on their behalf (<https://www.careeraddict.com>,12th may.2018).

4.2. The Role of Labor Union in protecting employees' interests

Under this sub topic the quesnnaires discussed and analyzed with likert scale and these refered SA=Strongly Agree, A=Agree, N=Neutral, DA=Disagree, SDA=Strongly Disagree.

Table4. 2 Role of Labor Union in protecting employees' interests

No	Items	Scales								
		F	SA	A	N	DA	SDA	TOTAL	M	S.D
1	The existence of labor union is vital for employees to make their grievances heard	F	13	51	10	125	1	200	2.43	.89
		%	6.5	25.5	5	62.5	0.5	100		
2	Labor union seen as an important part of the organization in protecting the interests the members	F	12	74	19	94	1	200	2.24	.89
		%	6	37	9.5	47	0.5	100		
3	The Labor Union has succeeded in securing better wages and benefits through its efforts.	F	24	51	50	72	3	200	2.11	1.07
		%	12	25	25	36	2	100		
4	The Labor Union plays an active role in helping the workers in redressal of grievances.	F	61	43	31	63	2	200	2.66	1.10
		%	1	21.5	15.5	32	30	100		
5	The labor union tries to protect its members from abusive firing	F	46	21	59	68	6	200	2.64	1.04
		%	23	10.5	29.5	34	3	100		
6	The labor union has strong positions to monitor the implementation of the collective agreement of the CBE.	F	29	30	67	72	9	200	2.48	.95
		%	14.5	15	33.5	36	1	100		
7	TheLabor Union committee seeks personal favor from the management rather than protecting employees' interest.	F	64	44	56	33	3	200	4.67	1.13
		%	32	22	28	16.5	1.5	100		

Source own survey data, 2109

As depicted in Table 4.2, item 1 indicates majority of respondents (63 %) noted that they do not agree on existence of labor union to handle their grievances. The remaining percent counts to agree (32 %) and neutral (5 %) and the mean value is 2.43 which is below to average and it closer to disagree.

As depicted in Table 4.2, item 2, indicates most of respondents (47.5 %) noted that they do not agree on Labor union seen as an important part of the organization in protecting the interests the

members. The remaining percent counts to agree (43 %) and neutral (9.5 %) and the mean value is 2.24 which is below to average and it closer to disagree.

As depicted in Table 4.2, item 3, indicates most of respondents (38 %) noted that they do not agree on the Labor Union has succeeded in securing better wages and benefits through its efforts. The remaining percent counts to agree (37 %) and neutral (25 %) and the mean value is 2.11 which is below to average and it closer to disagree.

As depicted in Table 4.2, item 4, indicates majority of respondents (62 %) noted that they do not agree on the Labor Union plays an active role in helping the workers in redressal of grievances. The remaining percent counts to agree (22.5 %) and neutral (15.5 %) and the mean value is 2.66 which is below to average and it closer to disagree.

As depicted in Table 4.2, item 5, indicates most of respondents (37 %) noted that they do not agree on the labor union tries to protect its members from abusive firing. The remaining percent counts to agree (33.5 %) and neutral (29.5 %) and the mean value is 2.64 which is below to average and it closer to disagree. This indicates the labor union does not try to protect its members from abusive firing.

As depicted in Table 4.2, item 6, indicates most of respondents (37 %) noted that they do not agree on the The labor union has strong positions to monitor the implementation of the collective agreement of the CBE. The remaining percent counts to agree (29.5 %) and neutral (33.5 %) and the mean value is 2.48 which is below to average and it is closer to disagree. This implies that majority of the respondents responded that the Labor union has not strong positions to monitor the implementation of the collective agreement of the CBE for its members and to protect their interests.

As depicted in Table 4.2, item 7, indicates majority of respondents (54%) noted that they agree on the Labor Union committee seeks personal favor from the management rather than protecting employees' interest. The remaining percent counts to disagree (18%) and neutral (28 %) and the mean value is 4.67 which is above to average and it is closer to strongly agree. This implies the majority of respondents accepted this idea as Labor Union committee seeks personal favor from the management rather than protecting employees' interest.

4.3. Labor Union Involvement for the achievement of Employees' Interest

Table 4.3 Labor union involvements for the achievement of Employees' Interest

No	Items	Scales								
			SA	A	N	DA	SDA	TOTAL	M	S.D
1	In my organization, the labor union bargains effectively for better salary and benefits.	F	21	46	41	85	7	200	2.94	1.10
		%	10.5	23	20.5	42.5	3.5	100		
2	My commitment for the job has increased since the Labor Union was effective in ensuring the same salary payment for the same job performed by different individuals.	F	9	62	29	88	12	200	2.84	1.07
		%	4.5	31	14.5	44	6	100		
3	In my organization, the labor union is effective enough to secure my annual salary increment.	F	27	39	33	88	13	200	2.89	1.19
		%	13.5	19.5	16.5	44	6.5	100		
4	In my organization, the labor union is effective in ensuring that the pay that I receive is fair relative to the Industry's average.	F	7	65	36	80	12	200	2.87	1.04
		%	3.5	32.5	18	40	6	100		
5	In my organization, labor union is effective in ensuring that I am given fair compensation for my work.	F	75	39	50	99	5	200	2.72	.92
		%	3.5	19.5	25	49.5	2.5	100		
6	The Labor Union is effective in ensuring that the medical and insurance schemes to be attractive.	F	17	62	31	84	6	200	2.93	1.18
		%	8.5	31	15.5	42	3	100		
7	The Labor Union is effective in ensuring my job security through enhancing my trust on management.	F	22	43	39	92	4	200	2.20	.94
		%	11	21.5	19.5	46	2	100		
8	In my organization, the labor union is effective in ensuring my fringe benefits like life insurance, paid leave for me, and medical leave health insurance up to my retirement.	F	42	41	29	79	9	200	2.39	1.10
		%	21	20.5	14.5	39.5	4.5	100		

Own source data, 2019

As mentioned in Table 4.3, item 1, indicates that the Labor Union of CBE is not assisting its members as the response of respondents. When we look the most of the respondents(46%) are given their negative responses whereas 33.5 % given their positive responses for the idea that labor union bargains effectively for better salary and benefits and neutral(20.5%) and the mean value indicates 2.94 which is below to average and it is closer to disagree.That implies the labor union does not bargain effectively for better salary and benefits.

As we can see item 2 in table 4.3 the most of respondents (50 %) are not agree with issue of my commitment for the job has increased since the Labor Union was effective in ensuring the same salary payment for the same job performed by different individuals. While the rest of 35.5% are agree and 14.5 % are neutral and the mean value also indicates 2.84 which is below to average and it is closer to disagree.That implies the Labor Union was not effective in ensuring the same salary payment for the same job performed by different individuals.

As depicted in table 4.3, item 3,indicates that members who did not agree that the Labor Union is effective enough to secure my annual salary increment are 50.5 % and 33 % are agree with this issue and neutral (16.5%) the mean value indicates 2.89 which is below to average and it is closer to disagree.This implies that labor union is not effective and enough to secure my annual salary increment.

As depicted in table 4.3, item 4, indicates the majority of respondents (46%) are not agree with industry's average payment. While 36 % are agree and neutral (18%) respectively.This means not fair payment relative to other banking industry and the union is not insured the members and the mean value is 2.87 which is below to average and it is closer to disagree that support the idea that the labor union is not effective in ensuring that the pay that I receive is fair relative to the Industry's average.

As depicted in table 4.3, item 5, for the idea of labor union is effective in ensuring that I am given fair compensation for my work (52%) majority of respondents did not agree. The 23% are agree and neutral (25%) and the mean value is 2.72 which is below to average and it is closer to disagree that implies labor union is not effective in ensuring that I am given fair compensation for my work.

As depicted in table 4.3, item 6, when we look at The Labor Union is effective in ensuring that the medical and insurance schemes to be attractive, most of respondents are disagree (45%) and the remaining agree(39.5%)and neutral(15.5%) and the mean value is 2.93 which is below to average and it is closer to disagree that indicates the Labor Union is not effective in ensuring that the medical and insurance schemes to be attractive.

As depicted in table 4.3, item 7, the Labor Union is effective in ensuring my job security through enhancing my trust on management. This is disagree by most of respondents (48%) and the rest agree(32.5%) and neutral (19.5%) and the mean value is 2.20 which is below to average and it is closer to disagree that support the idea that the Labor Union is not effective in ensuring job security through enhancing my trust on management.

As item 8 indicates 44 % are disagree on the idea that labor union is effective in ensuring my fringe benefits like life insurance, paid leave, medical leave and health insurance up to my retirement. 41.5% agree with idea of issue and 14.5% are neutral and the mean value is 2.39 which is below to average and it is closer to disagree that implies the labor union is not effective in ensuring my fringe benefits like life insurance, paid leave for me, and medical leave health insurance up to my retirement.

Additionally,the researcher found out that most of respondents believed that the Labor Union involvement for the achievement of Employees' Interest was not satisfactory as well as the Labor Union does not actively participate in order to protect employee's benefits.

4.4. The Levels of Communication between Labor Union and Employees

Table 4.4 Levels of Communication between Labor Union and Employees

No	Items	Scales								
			SA	A	N	DA	SDA	TOTAL	M	S.D
1	There is open communication between employees and the Union for its activities.	F	16	26	61	82	15	200	2.73	1.04
		%	8	13	30.5	41	7.5	100		
2	Labor Union has played important roles and found to be helpful in enhancing effective communication between the workers and the management.	F	39	41	50	62	8	200	2.26	1.15
		%	19.5	15.5	25	36	4	100		
3	Communication network used by the labor union is effective to communicate about its periodical efforts made to secure my rights and interests.	F	20	35	63	79	3	200	2.95	1.01
		%	10	17.5	31.5	39.5	1.5	100		
4	The Labor Union adds value to employees' benefit by providing an efficient way of communication with employees.	F	16	58	52	65	9	200	2.10	1.02
		%	8	5	26	32	29	100		
5	My participation in the Labor Union is Significant.	F	29	37	59	61	14	200	2.03	1.16
		%	14	18	30	31	7	100		

Source own survey data, 2019

As mentioned in Table 4.4, item 1, most of respondents (48.5%) they do not agree for the question there is open communication between employees and the Union for its activities. While the rest respondents 21 % and 30.5% are agree and neutral respondents sand the mean value is 2.73 which is below to average and it is closer to disagree that support the idea that there is no open communication between employees and the Union for its activities.

As item 2 in Table 4.4, indicates 40 % respondents are not accepted for idea of Labor Union has played important roles and found to be helpful in enhancing effective communication between the workers and management. While 35 % agree and 25% are neutral and the mean value is 2.26 which is below to average and it is closer to disagree that supporte to Labor Union has not played important roles and found to be helpful in enhancing effective communication between the workers and the management.

As mentioned in Table 4.4, item 3, in related to Communication network used by labor union, 41% of the respondents do not agree whereas 27.5 % are agree and neutral (31.5 %) and the mean value is 2.95 which is below to average and it is closer to disagree that supported to Communication network used by the labor union is not effective to communicate about its periodical efforts made to secure my rights and interests.

As mentioned in Table 4.4, item 4, majority of respondents (61 %) do not agree for the issue of Labor Union adds value to employees' benefit by providing an efficient way of communication with employees. The rest are 13 % and 26 % agree and neutral with the issue respectively and the mean value 2.10 which is below to average and it is closer to disagree that indicates the labor union is not effective to provide efficient way of communication or there is communication gap to add value to its members to enhance their commitment.

The last item from table 4.4, 38 % of respondents do not agree. Whereas 32 % are agree and 30 % neutral. Therefore, the mean value is 2.03 which is below to average and it is closer to disagree that supported to the participation of employees within the Labor Union is not significant.

Based on the finding which is responded by the employees, the levels of communication between Labor Union and Employees are very low. The Union does not add value to employees' benefit by providing an efficient way of communication with employees as stated by president of labor union, regarding from the interview finding the researcher analyses that there is no time schedule annually or semi annually between the union and employees. Some members of the union did not know existence of labor union. The union also fails to inform the members their responsibilities, rights, activities and progress of the union. Even if there is a written collective agreement but most of employees do not have one. The union not having a regular meeting with employees this creates an environment which employees cannot communicate with their union leaders and other members.

On other hand, during the researcher pre-observation most of employees raised their idea as they have no representative and the Union is as a symbol. Whereas during interview with the Labor Union Leaders, they stated as the union tries to protect the employees' interest but it has not succeeded in doing so. This was because the employees have specific interests not general ones. Even though it is not enough, the union tries to address the general and common interests of

employees. As Ismael (2013) stated that there were more than 10 Trade Unions in Tanzania. Despite of being members in Trade Unions still workers are complaining about their poor working conditions and their lack of interest in Tanzania.

As a finding of Lazaro (2015), Trade Unions have not pursued in the required range in solving employee's problems and other core objectives towards struggling to secure benefits for their members, such as financial gains like rise of wages, bonuses, various allowances insurance benefits, overtime payment and non-financial benefits such as job security, comfortable workplace, recreational facilities and decreasing fear of employer through collective agreements bargaining process. The same condition, the response of employees of CBE indicates as a Labor Union has less significant role in protecting employee's interest. In the same manner, the Union Leaders described as the members raised that redundant question such as salary increment, benefits and OT payments. This finding is similar to with Lazaro's (2015) observation which studied in Tanzania. Lazaro also stated that the contribution of trade union towards assisting employees in insuring good working condition it is still a challenge since large number of employees provides that they are still working in a very poor working conditions similarly with CBE.

From qualitative data in regarding to strength and weakness of the union. The labor union of CBE has not well organized pre-establish rules and procedures, the union has not good team spirit, the union also financially not strong, it has not formal communication truck with the districts representatives and general council members of the union, the union is not audited by external auditors every two years and they have not internal audit commission members to audit the executives team weekly. Within the past two years more than 18 employees were dismissed from their job due to ethical problems, the union of CBE in collaboration of management not help those employees to get their job back.

On other hand during interview with Labor Union official they stated that influence of management was the main obstacle and Labor Union also faced challenges from human resource management. According to the interview findings as what are the major challenges that you think Labor Union face in the Organization? Bargaining for employee benefit including supplementing their wages or salaries increments, over time payment and working material, housing, and other related issues are repeatedly faced too. The other challenge was that the human resource does not accept the Labor Union issues which are raised from employees.

As the Question which was what the Labor Union should do to overcome the challenges? For this solution, the Labor Union should discuss the problems with the management orally as well as through writing memo with strong bargaining process in order to solve the raised issues.

Additionally, from qualitative data the union contribution in allowing better communication between the management and employees. From HRM side if complaint is raised there is a way that the management tries to resolve the problem before it go the union. If an employee have a complaint he/she can report directly to the district HRM if it is not resolved he/she can go further and report the situation to the head office, but sometimes complaints may go directly to the labor union if it happens this situation both the management and union resolve the problem together by following the collective agreement and the labor law. In my observation many complaints are related to promotion. The collective agreement in article 17 state that all employees have equal chance of competing where there is vacant position, based on their educational background and experience. In general, as interview of researcher based on response which is obtained from office of Labor Union, the finding showed lack of good working condition for employees and had no full protection for their interest. Even if existence of labor union is important for the comfort of employees so the union that exists to give priority to its members and when there is a disagreement between the management and employees the union plays a role of negotiations that enables both parties to come up to common ground and the strength of the union is in offering better terms and condition, dealing with management is not an easy task since the management main concern is profitability of the company where as the union is concerned in creating better and sound working environment. This creates conflicts of interests between the two. In collective agreement article 42 it clearly state that the collective agreement will work for three years and it will be renewed. The 11's collective agreements is approved on march 2010. Since then the bank make some adjustments on working condition, the implementation of BSC is one of the changes in order to keep up it changes in policies a new HRM strategy has been developed. There is a gap between the existing collective agreements and the new HRM strategy. The HRM system of the bank established a compressive HRD strategy. That enables employees to fill skill gaps large technical and developmental training programs are developed. Succession planning and carrier management systems are developed and also performance management system (PMS) has developed and implemented. So every employee is not treated according to their performance.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

This chapter deals with summary of findings, conclusion and recommendation.

5.1. Summary of Findings

Based on the data presented in the previous chapter the following main findings are drawn.

1. In related to Role of Labor Union existence of the Labor Union is not vital for employees to make their grievances heard not trying to protect members from abusive firing;the implementation of the collective agreement in the Organization is low and the Labor Union has no succeeded in securing better wages and benefits through its efforts. But the Labor Union committee seeks personal favor from the management rather than protecting employees' interest.
2. The members believe that the involvement of Labor Union to protect and secure the interest of employees is poor with most of respondents (30%) disagree. The Labor Union also does not effectively bargain for better salary increment, benefits such as medical, insurance schemes, paid leave, safety, health and overtime as well as the Labor Union is not effective in ensuring for job security of employees through enhancing trust on management abuse and also the Labor Union has not achieved the Interests of Employees as per the collective agreement.
3. With regard to communication there is no open communication between employees and the Union for its activities. Members are not well informed about the union's change and modification, activities and its role in the organization.The representative do not have preventive policies and they are always reactive not well organized to solve the problem of members ,did not give equal opportunity to all department ,there is no schedule meeting with members. The Labor Union did not add value to employees' benefit by providing an efficient way of communication with employer and employees' participation in the Labor Union is insignificant.

5.2. Conclusions

Labor unions are expected to play vital role is not only in promoting the interests and the rights of its member employees but also in safeguarding and maintaining the success of the organization which they are working with. Labor unions are one of the primary actors in ensuring socio – economic development of any nation as they represent the most important asset to the organization i.e. the labor capital. CBE has a comprehensive HRM system, but employer-employee relations agenda is not set for employees explicitly. The human resource managements prepared based on the labor law of the country; HRM of CBE does not manage the day to day activities in well – developed collective agreements that are used to maintain the rights and interests of employees. Almost every department and branches have labor union representatives. But the union of the bank does not play a great role in keeping job security of employees .Both the management and the unions use the collective agreements that have not been amended.

The union influenced the employment relation of the bank but the union officials are not committed and experienced. Without existence of labor union it would be difficult to set better terms and conditions of employment. It would be difficult to expect sound and stable work environment. Employees of the bank agree that the existence of labor union is not very important to protect employees' interests.

The finding of the research shows that employees of the organization and the union are not working together in collaboration. The organization does not facilitate the necessary equipment, the union officials do not have a place in every quarter meeting, there is no compliance committee it contains both the management and the union the management and the union are not working as common understanding of their needs. In some branches employees are pushed to work more than their working hours without over time payment, the representatives seems to neglect the situation. This allows the management to have more control employees than they should. On the collective agreement working hours of employees presented in brief but the management is violating their rights.

From the finding of the research reveal that some degree of difference between the interest of management and employees and their union in CBE. Even though they work together based on the collective agreement in order to have mutual understanding, trust and cooperation some rules of the collective agreements have been violated. In article 17 of collective agreement it clearly states

that how promotion executed but it has not been implemented accordingly. Even if the union has conduct the process of promotion there is a biased situation.

In regarded to communication between the employees and the union have no formal or regular meeting .most of the employees do not have the collective agreement on hand, so it is impossible for the employees to demand their rights. The union also will not know the current demand of employees, if they have been treated unfairly by the management. unions who have strong relation with employees is more powerful in influencing the management and which will ultimately results in benefits for the workers. The members expect mainly different things from labor union like job security, greater salary payments and involvement in negotiation and bargaining process, setting terms and condition of employments, fair treatment from management and better employment relation .

Unionism has significant impact on employee's interests by protect. Most of employees expect from the labor union to protect themselves from unnecessary dismissal from the organization. The labor union of CBE is strong in some cases by giving job securities to employees the union helps some employees to get back their job after dismissal. Members of the union presume the union to negotiate on behalf of their better terms and condition of employment. On the other hand some representatives in some branches who did not do that is expected to from them. Instead they team up with the management to get personal favors. Union representatives are supposed to represent the unions only for two years, but some have been working far more than that. This lead to be washed out through time and it crate free riders.

5.3. Recommendations

Looking at the major findings of the study the researcher draws some recommendation for the management of CBE ; for the labor union;for employees and for further researchers.

- The Labor Union is expected to protect its members from unfair treatment and abuse of power by management. Therefore, the Labor Union should play a big role for securing better wages and benefits of employees through its efforts within bargaining power. When members provide a grievance for the Labor Union, it is better to solve the problem at a time by discussing with management.
- The Labor Union is recommended to be effective in ensuring job security through enhancing employees' trust on management. It also assured the equal treatment of each staff as regards medical and insurance benefits with practical involvements. In addition to that, the Labor Union shall be effective to play a pivotal role both in securing employees' safety, health and overtime payments. As researcher's finding, OT has not paid for employees who works on Saturday afternoon. Therefore, the Union shall deal with management to be answered their question.
- Creation of a good platform through which employees could participate or involved in day to day collective decision making of the Labor Union apart from being represented. The Labor Union shall facilitate open communication between employees and the Union for its activities. It also shall play an important roles which are helpful in enhancing effective communication between the workers and the management. Communication network used by the labor union shall be effective to communicate about its periodical efforts made to secure employees' rights and interests. It is needed to create awareness to members for using labor Union Medias which can help them forgetting updated information. The union shall conduct scheduled meetings to increase the interest of members in participating for the activities of the Labor Union; give a chance to all member for their new idea.
- The Labor Union is recommended to resist the challenges which come from employer and being influential for the truth representativeness. In addition to this, the Union is also recommended to involve in assisting employees having working disputes which involve court proceedings as it represents workers into litigation, reconciliation, mediation and arbitration procedures. The Labor Union shall discuss the challenges and problems with

top management as well as its members. Finally it is recommended that to avoid the problems which can be related to its weakness in giving sufficient protection of workers.

- Since the management and the union have to work together for the mutual benefits of the bank, the management must include the labor union in decision that are related to employees interests. In some branches where the management forces employees to work more than their working hours. The union should protect the rights of employee's and the union and the management has to work together for better working environment. The union has to create awareness to the employees about their rights and responsibilities as well as employees should have the copy of collective agreements. There must be a formal and periodical way of communication between the union and employees, so that employees discuss on changes that are occurring in the working environment and also the union has to bargain with the management to empower employees. Here the labor union also has to create open system that enables employees to participate in decision making process that are related to their interests and rights.
- The union has to take action on those representatives that do not carry out their responsibilities. As of collective agreement a representatives have to work for only two years those who exceed the limit have to be replaced by new one. Injection of new blood will expose the union for new ideas, by changing the representatives timely the union can avoid free riders and those who are corporate with the management for personal favors. Both the management and the union have to give emphasis to employees' promotion. Gaps in this regard discourage job evaluation and performance. The union has to work hard to avoid partiality. Employees have to be treated based on their performance. As of the collective agreement the management has to give equal chance based on their educational background, experience and other evaluation methods that are clearly stated on collective agreement. The union has to follow the promotion process and make a collective action when employees are treated unfairly. The HRM has to be impartial in the promotion of employees.
- Replacing the collective agreement with a new one will help fill the gaps that created because of new HRM strategy and the implementation of BSC. Both the union and the management must discuss on the issues that they did reach an agreement. As of country's labor law a given employee is obligated to work 8 hours per day, but the bank wants to

increases extra 1 hour per day without over time payment. This violates the country labor law, if the bank wants to add extra one hour over time payment is necessary and must.

5.4. Suggestions for further study

This study focused on the role of labor union in protecting employees' interest in CBE. Further studies could be done on employer attitudes towards trade union and the effect of trade union on employees performance.

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Appendix A
St. Marry University,
School of Graduate Studies

Questionnaires to be filled by Employees of CBE on the Role of Labor Union,

The purpose of this questionnaire is to gather the attitude of employees on the role of labor union in the process of ascertaining their rights and interest and in ensuring sound employment relation and their attitude towards the current employment reaction in commercial Bank of Ethiopia (CBE). Therefore, I kindly request you to take some time and to fill out this questionnaire. I would like to assure you that you information will be used only for this research purpose and it will be kept strictly confidential, please try to give valid and reliable information, every response is really important. Thank you in advance for your cooperation.

EPHREM FISSHA

Instruction

- ✓ Do not write your name
- ✓ Close- ended questions are answered by placing (✓) mark within the box.

Phone- No

+251913612471

Email

ephichekunu@gmail.com

Part I: Participant's General Information

1	Gender	Male	Female			
2	Age	<25	25-34	35-44	45-54	>55
3	Education level	10/12 Grade Complete	Technical School Graduate	College Diploma	BA/Bsc Degree	Master's Degree
4	Service years in CBE	<4	5-9	10-19	20-30	>30
5	Member of the Labor Union in years	<2	3-5	6-9	9-11	>11

Part II: Questions Related to the Roles of the Labor Union

Please indicate your level of agreement for each of the following statement as regards the **Labor Union of CBE in Protecting Employees' Interest** by putting tick mark (√).

NO.	Roles of labor union	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	The existence of Labor Union is vital for employees to make their grievances heard.					
2	Labor Union is seen as an important part of the Organization in protecting the interest of the members.					
3	The Labor Union has succeeded in securing better wages and benefits through its efforts.					
4	The Labor Union lays an active role in helping the workers in redresser of grievances.					
5	The labor union tries to protect its members from abusive firing.					
6	The labor union has strong positions to monitor the implementation of the collective agreement of the CBE.					
7	The Labor Union committee seeks personal favor from the management rather than protecting employees' interest.					

	In terms of salary				
8	In my organization, the labor union bargains effectively for better salary and benefits				
9	My commitment for the job has increased since the Labor Union was effective in ensuring the same salary payment for the same job performed by different individuals				
10	In my organization, the labor union is effective enough to secure my annual salary increment.				
11	In my organization, the labor union is effective in ensuring that the pay that I receive is fair relative to the Industry's average.				
	In terms of safety and health				
12	In my organization, labor union is effective in ensuring that I am given fair compensation for my work.				
13	The Labor Union is effective in ensuring that the medical and insurance schemes to be attractive.				
14	The Labor Union is effective to ensure that there is equal treatment of each staff as regards medical and insurance benefits.				
15	The Labor Union is effective in ensuring my job security through enhancing my trust on management.				
16	In my organization, the labor union is effective in ensuring my fringe benefits like life insurance, paid leave for me, medical leave health insurance up to my retirement.				
17	In my organization, the Labor Union is effective to play a pivotal role both in securing my safety and health overtime.				
	levels of communication				
18	There is open communication between employees and the Union for its activities.				
19	Labor Union has played important roles and found to be helpful in enhancing effective communication between the workers and the management.				
20	Communication network used by the labor union is effective to communicate about its periodical efforts made to secure my rights and interests.				
21	The Labor Union adds value to employees' benefit by providing an efficient way of communication with employees.				
22	My participation in the Labor Union is Significant.				

Appendix B
St. Marry University,
School of Graduate Studies

Interview questions for labor union's leaders.

1. How do you describe the strength of union in bargaining process and negotiating with management towards offering better terms and conditions of employment?
2. Does the union meet regularly with employees? What about the management?
3. What are the major challenges that you think Labor Union face in the Organization?
4. What the Labor Union should do to overcome the challenges?
5. What is the role of the union in grievances and work related conflicts resolution?
6. How do you explain the current status of the union/what are major weakness of the union?

DECLARATION

I, the undersigned, declare that this thesis is my original work; prepared under the guidance of Mulatu Takele (Dr).All sources of materials used for the thesis have been dually acknowledged. I further confirm that the thesis has not submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Name

Signature

St. Mary's University, Addis Ababa

July, 2019

ENDORSEMENT

This thesis submitted to St. Mary's university, school of graduate studies for examination with my approval as a university advisor.

Advisor

Signature

St. Mary's University, Addis Ababa

July, 2019